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THE Italo-Ethiopian conflict seems destined to have serious repercussions on the European situation, and above all on Austria—the cockpit of Europe. Austrian independence was fortified earlier this year when Great Britain, France and Italy drew together in common fear of possible aggressive designs on the part of a rearméd Germany. Alarmed at the prospect of Austro-German union—one of the primary aims of Hitler's foreign policy¹—Premier Mussolini and M. Laval settled on January 7 a series of differences long outstanding between Italy and France. Subsequently, at the Stresa conference held in April, Britain joined this anti-German front and the three powers laid plans for the conclusion of a regional pact to defend Austria.² Italy's venture into Ethiopia once again jeopardizes the continued existence of Austria as an independent state. By diverting Italian forces to Africa it will probably weaken Italy's ability to resist German encroachment on Austria; and by arousing the antagonism of Great Britain it has made such a breach in the united front formed at Stresa that Italy may ultimately seek a rapprochement with Germany. On the other hand, in order to secure the support of France in its opposition to Italian imperialism, Britain has been compelled to modify its traditional policy of avoiding specific commitments to uphold the territorial *status quo* on the European continent. In a speech delivered before the Assembly of the League of Nations on September 11 Sir Samuel Hoare, British Secretary for Foreign Affairs, categorically declared that Brit-

tain's insistence on enforcement of the League Covenant in the Ethiopian question marks no exception but is part of a consistent policy in favor of "steady and collective resistance to any and all acts of unprovoked aggression." If this declaration means that Great Britain will come to the aid of any victim of aggression in Central or Eastern Europe, it should free Austria from exclusive reliance on Italy for the preservation of its independence.

THE INTERNAL STRUGGLE

In its hard-fought battle against Nazification, Austria has not only been drawn into the Italian orbit but has replaced its democratic, republican form of government by a fascist system patterned largely on the Italian model. While the chief motivation for this change may be laid to Italian influence, domestic considerations have also played an important rôle. The conservative elements in Austria, which comprise the *Heimwehr* forces—led by Prince von Starhemberg and supported by big business—and the Catholic Christian Socialists, had long sought to establish their unchallenged political control. These elements were predominant in the provinces, but the Social Democrats—the largest party in Austria—had their stronghold in Vienna, which contains nearly one-third of the country's population. The internal struggle for power was thus waged not only between conservatives and radicals but between city and country.

With Hitler's accession to power in Germany early in 1933 the Austrian Nazi movement, which had previously failed to achieve significant proportions, became a major force in the country. Financed and directed from the Reich, the movement

1. Mildred S. Wertheimer, "Aims of Hitler's Foreign Policy," and "The Foreign Policy of the Third Reich," *Foreign Policy Reports*, June 5, 1935, March 28, 1934.

2. Vera Micheles Dean, "Europe's Struggle for Security," *Foreign Policy Reports*, June 19, 1935.

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drew its followers for the most part from the conservative Austrian elements and the discontented youth of the country. To the clericals and *Heimwehr* forces, therefore, the Nazi movement constituted not only a threat to Austrian independence but a menace to their own bid for complete power. The record of the Dollfuss ministry, which governed Austria from May 30, 1932 until July 25, 1934, reflects these two major conflicts: the struggle against Nazification and *Anschluss*; and the determination of the conservatives to crush the Austrian Socialists, even though the latter were absolutely opposed to the Nazis and had offered Dollfuss their aid against Hitlerism.

DOLLFUSS BECOMES DICTATOR

Dollfuss himself endeavored to concentrate his major efforts on the Nazi menace to Austrian independence. After the spring of 1933 Nazi propaganda and terror, emanating from the Reich, reached such proportions that Austro-German relations for the next fourteen months might be characterized as a state of war. The little Chancellor, meanwhile, had already started on the path to dictatorship. After March 4, 1933 when the Austrian parliament signed its own death warrant, Dollfuss governed by emergency decree.³ During the summer of 1933 he endeavored to build up a spirit of Austrian patriotism by establishing the so-called Fatherland Front (*Vaterländische Front*), an organization transcending all political parties and designed to unify the Austrian people. Nevertheless, by the autumn of 1933 Dollfuss was under insistent pressure from the *Heimwehr* to set up a totalitarian, non-party state on the Italian model. This pressure was reinforced by Mussolini, with whom Dollfuss had established friendly relations.⁴ On September 11, therefore, Dollfuss announced that Austria must be a Christian, German state built on *Ständische*⁵ foundations, with a strong authoritarian leadership.⁶ This declaration of policy was accompanied by an outspoken anti-Socialist statement, although Dollfuss repudiated any intention of achieving his ends by "coordination" or terror. Ten

3. The speaker and deputy speakers of the *Nationalrat* had resigned on March 4, 1933 during the commotion caused by rumors of a *Heimwehr-Nazi Putsch*. According to Austrian law only the speaker or his deputy could call a session of parliament and it was therefore impossible for the *Nationalrat* to reconstitute itself. Dollfuss promptly resigned but was immediately reappointed by President Miklas with emergency powers. Cf. *Current History*, June 1933, p. 362; John Gunther, "Dollfuss and the Future of Austria," *Foreign Affairs*, January 1934.

4. Cf. Vera Micheles Dean, "Toward a New Balance of Power in Europe," *Foreign Policy Reports*, May 9, 1934.

5. Corporate or guild state.

6. *New York Times*, September 12, 1933.

days later, on September 21, Dollfuss reorganized his government. He himself took over five portfolios—the Chancellorship, Foreign Affairs, Defense, Security and Agriculture. Fey, one of the *Heimwehr* leaders, became Vice-Chancellor—a post which added to his prestige but diminished his powers. The Ministry of Justice, also claimed by the *Heimwehr*, was given to Dr. Kurt Schuschnigg, a devout Catholic supporter of Dollfuss.⁷ Two ministers who had opposed the new fascist trend were dropped, and the *Heimwehr* and the Christian Socialist party formally joined Dollfuss' Fatherland Front. The reorganized government set about drawing up a new constitution to replace the discredited republican instrument.

SUPPRESSION OF THE SOCIALISTS

Before the new constitution had been drafted the fascist character of Austria was made unmistakably clear by the government's suppression of the Austrian Social Democrats. As Nazi activities and propaganda increased, the Chancellor drew closer to Mussolini. Prince Starhemberg, an uncompromising foe of the Austrian Socialists, was also in close contact with Italy, which is reported to have backed the *Heimwehr* with money.⁸ Dollfuss' need to secure help from abroad sealed the fate of Austrian Social Democracy. The bloody civil war, which broke out on February 12, 1934 between Socialists and Austrian Fascists, was precipitated by *Heimwehr* raids on various Socialist centers throughout the country. A thousand or more lives were lost; the Socialist party was dissolved, its property seized and its leaders executed or jailed, except for some few who escaped across the frontier after the fighting was over.⁹ By suppressing the Socialists Dollfuss retained the rather dubious support of the *Heimwehr*, but his position was none too stable. He was opposed by the sullen, beaten Socialist masses—now driven to underground opposition—and by the Nazis, directed and assisted from Berlin. Nevertheless, he continued his efforts to establish an Austrian totalitarian state and on April 30, 1934 the provisions of his new fascist constitution were announced.

THE ABORTIVE NAZI PUTSCH

Less than three months later Nazi interference in Austrian domestic affairs reached a crisis. On July 25, 1934 a Nazi *Putsch* resulted in the assassination of Chancellor Dollfuss and led to heavy

7. *Ibid.*, September 22, 1933.

8. Dean, "Toward a New Balance of Power in Europe," cited.

9. Wertheimer, "The Foreign Policy of the Third Reich," cited.

fighting throughout the country. Faced by the immediate dispatch of three Italian divisions to the Austrian frontier, Hitler disclaimed all responsibility for events in Austria. The *Putsch* failed, and Nazification of Austria and a European war were narrowly averted.¹⁰ For the second time in 1934 Austria was in turmoil. Dollfuss, the staunchest bulwark against Nazi penetration in Austria, was dead. The reorganized government, headed by Dr. Kurt Schuschnigg as Chancellor, with Prince Starhemberg as Vice-Chancellor¹¹ and head of the Fatherland Front, took up the task of maintaining Austrian independence. Dr. Schuschnigg, besides the Chancellorship, held the portfolios of Education and Justice. Major Fey was further demoted—to the Ministry of the Interior—and Herr Berger-Waldenegg became Foreign Minister. Popular support of this Cabinet, as of its predecessor, rests primarily on the Catholic Christian Socialists and to a certain extent on the Catholic workers. The *Heimwehr* forces also theoretically back the government. Their youthful leader, Prince Starhemberg, however, is exceedingly ambitious, and while giving lip service to the Schuschnigg government has directed his main efforts toward increasing the *Heimwehr's* power.

On the surface the abortive Nazi *Putsch* added somewhat to the chances of preserving Austrian independence against Hitlerism. Many Austrian Nazis appear to have been disillusioned by Hitler's disavowal, while Austrians who had previously remained politically aloof were deeply stirred by Dollfuss' death. After the *Putsch*, moreover, Nazi propaganda in Austria was at least temporarily curtailed. At the same time Austria's dependence on outside support was glaringly illustrated. Had it not been for Mussolini's rapid dispatch of troops to the Brenner Pass, the Nazi *Putsch* might well have succeeded, for the other powers merely contented themselves with statements of principle concerning the necessity of maintaining Austrian independence.

THE NEW CONSTITUTION

Meanwhile, a Fascist state had been established in Austria based on a constitution of May 1, 1934 replacing that of October 1, 1920. Considerable doubt attaches to the legality of the new constitu-

tion, which was accepted by a rump parliament on April 30, 1934. The *Nationalrat* had not functioned since the resignation of its speakers on March 4, 1933, and the Dollfuss ministry was thus able to govern by emergency decrees issued under the authority of a war regulation dating from 1917. On April 24, 1934 the government altered the parliamentary rules of procedure by decree and convened the *Nationalrat* for April 30. When that body met, only 76 deputies out of the total of 165 duly elected members were present. The 72 Social Democratic deputies were excluded, many of them being in jail and concentration camps or scattered abroad as a result of the *Heimwehr* action against the Socialists in February 1934 and the subsequent suppression of the party. The Pan-German group and Peasant party were represented merely by "observers."¹² The constitution was passed by the 74 government deputies present (Christian Socialists and *Heimwehr*), who did not comprise even a simple majority of the *Nationalrat*.¹³ At the same session, this rump parliament also passed an Enabling Act designed to bridge the period between May 1, 1934 and the actual coming into force of the new constitution at a date left to the discretion of the government. Parliament then voted to dissolve itself forever after having approved 471 emergency decrees promulgated by the Dollfuss government during the preceding fourteen months when the *Nationalrat* was not functioning.

The new constitution established an authoritarian corporative state. Its preamble declared: "In the name of Almighty God from Whom all law emanates, the Austrian people receive this Constitution of its Christian, German, Federal state based on the corporative [*Ständisch*] principle."¹⁴ The ideology of this Austrian Christian state derives its inspiration from the Papal Encyclical, "Quadragesimo Anno," of May 15, 1931.¹⁵ In this message the Pope advocated a corporative organization of society as the best principle on which to base reconstruction of the social order. Austria is now attempting to follow this course, but since the so-

12. *Manchester Guardian Weekly*, May 4, 1934.

13. According to the 1920 constitution, organic laws or laws containing provisions of a constitutional character required a two-thirds vote of an absolute majority of the members of the *Nationalrat*. Major changes in the constitution were required to be submitted to a popular referendum before publication (Article 44).

14. Text of the May 1, 1934 constitution and official commentary on its provisions in Ludwig Adamovich and Georg Froelich (editors), *Die neue österreichische Verfassung samt Ausführungs- und Nebengesetzen* (Vienna, Druck und Verlag der österreichischen Staatsdruckerei, 1934).

15. "Quadragesimo Anno: On the Reconstruction of the Social Order," *The Catholic Mind*, June 8, 1931.

10. For details, cf. Wertheimer, "Aims of Hitler's Foreign Policy," cited.

11. Starhemberg had been made Vice-Chancellor on May 1, 1934; his predecessor in that office, Major Fey, remained in the Dollfuss Cabinet as Minister for Public Security. Cf. *Bulletin of International News*, May 10, 1934.

called corporations must be organized before the complicated machinery provided in the constitution can function, the Austrian corporate state exists for the present only on paper.

Meanwhile the Austrians have lost their sovereign rights; and the "will of the people," which according to Article 1 of the 1920 constitution was the foundation of the laws of the democratic Austrian Republic, has been replaced by the will of God. The word "republic" does not occur in the new constitution, which declares simply (Article 1) that "Austria is a Federal State." As the official commentary points out: "The authoritarian state leadership is the most significant characteristic of the new form of government."¹⁶ All power rests in the President and the federal government, while universal suffrage and political representation of the people are abolished.

CONCENTRATION OF POWER IN THE EXECUTIVE

The President is elected for a seven-year term by all the burgomasters (mayors) of Austrian municipalities (*Ortsgemeinden*) from three candidates proposed by the Federal Assembly (*Bundesversammlung*).¹⁷ The powers of the President are far-reaching: he not only exercises the usual prerogatives of the head of a state in relation to foreign countries but appoints and removes from office the Chancellor and individual ministers, or the entire federal government (Article 82; Article 86). The Chancellor may be dismissed on the sole initiative and responsibility of the President; individual ministers may be dismissed at the suggestion of the Chancellor. The President, moreover, is not bound by any constitutional hindrances in his choice of a new Chancellor, although the latter has a voice in designating the members of his Cabinet.¹⁸ The President also appoints the members of the Federal Council (*Staatsrat*), as well as the speaker and deputy speakers of that body (Articles 46, 56). He must confirm the choice of speakers of the Federal Cultural Council and Economic Council, and may summon both these bodies to meet. Under the Enabling Act, the President appoints the members of these bodies until the corporations are established. With the consent of the federal government, furthermore, he may indefinitely prolong the terms of members of the legislative bodies—federal, provincial and municipal—

should changes in the composition of these groups be held to endanger the economic life of the country (Article 148).

The President appoints and dismisses the provincial governors (*Landeshauptmänner*) and the mayor of Vienna, and designates members of the supreme court (Article 177). He is also commander-in-chief of the army (Article 96), and is empowered to issue emergency decrees which have the force of law. In short, the Austrian President can be an absolute dictator. Herr Miklas, who now occupies this post, is a hold-over from republican days and appears not to exercise his powers to any appreciable degree. Should the Hapsburgs be restored, however, these potentially dictatorial powers might be exercised by a monarch.

Executive power under the new constitution is shared by the President with the federal Chancellor and government, both of whom are responsible to him alone and not to the legislative organs. The executive has a monopoly on legislative initiative since only the federal government possesses the right to draft and introduce bills (Articles 51, 61). The government, furthermore, is empowered on its own responsibility to issue emergency decrees which have the force of law (Articles 147, 148). Such decrees may be promulgated only to maintain public safety and order, and to protect important commercial interests of the people or public interests of the state (*Bund*)—in particular, the security of the federal budget. Decrees may be issued dealing with matters which constitutionally are the concern of the Federal Diet (*Bundestag*) but which, under existing circumstances, that body is unlikely to accept. The government's decrees may override existing laws and constitutional provisions, but may not effect a complete change (*Gesamtänderung*) in the constitution. The provisions dealing with the promulgation of emergency decrees are complicated and involved, but it seems clear that the government and the President are free to issue decrees with little or no restriction, despite several apparent safeguards.

THE FIVE "LEGISLATIVE" COUNCILS

Although the Austrian government and President thus possess what amounts to dictatorial powers, the new constitution sets up an intricate legislative system composed of five councils: four deliberative organs—namely, the Council of State (*Staatsrat*), the Federal Council of Culture (*Bundeskulturrat*), the Federal Economic Council (*Bundeswirtschaftsrat*), and the Federal Council of the Provinces (*Länderrat*); and one organ of de-

16. Adamovich and Froelich, *Die neue oesterreichische Verfassung*, cited, p. 2.

17. Article 73.

18. Adamovich and Froelich, *Die neue oesterreichische Verfassung*, cited, p. 80.

cision, the Federal Diet (*Bundestag*).¹⁹ According to the official commentary, the four deliberative bodies are designed to cooperate in discussing drafts of bills submitted by the executive, and may criticize and offer suggestions as to changes in pending legislation in the form of written opinions.²⁰

Analysis of these five councils serves to confirm their rubber-stamp character. The members of the Council of State, who number between forty and fifty, are chosen by the federal President for a term of ten years.²¹ They must be "distinguished citizens who merit the honor and whose previous record, both as regards conduct and activities, offers a guarantee of their complete comprehension of the needs and tasks of the state." The special rights and functions of the Council of State include ratification of political treaties which do not require changes in existing laws (Article 68); recommendations for dissolution of provincial diets or the Vienna city council (Articles 113, 145); and nomination of certain members of the constitutional senate of the Federal Supreme Court (Article 179).²²

The Federal Council of Culture is composed of from thirty to forty representatives of legally recognized churches and religious bodies, education, popular culture, and science and the arts. Austrian citizens over twenty-six years of age are eligible for membership in this body—which until otherwise regulated by law is appointed by the President—provided they can show proof that they have been fully loyal to their fatherland (Article 47). The same test of patriotism applies to the members of the Federal Economic Council which comprises between seventy and eighty members from the professions, industry, and commerce (Article 48). This group is also temporarily appointed by the President. The fourth of the deliberative councils, the Council of Provinces, is designed to represent the various *Länder* which make up the Austrian state. This Council's membership is composed of the governor of each province, who is appointed by the federal President, and a member of the provincial government responsible for finance. The City of Vienna sends its mayor and one other representative chosen by him (Article 49).

19. Articles 44-49. Cf. also B. Mirkin-Guetzevitch, "The New Austrian Constitution," *The Political Quarterly* (London), October-December 1934.

20. Adamovich and Froelich, *Die neue oesterreichische Verfassung*, cited, p. 51.

21. In his choice of members for the *Staatsrat* the President is not dependent on suggestions from the federal government, although his nominations must be countersigned by the Chancellor (Article 460).

22. Adamovich and Froelich, *Die neue oesterreichische Verfassung*, cited, p. 53.

These four deliberative councils have no important powers. The members of all four groups meet together to form the so-called Federal Assembly (*Bundesversammlung*), which makes three nominations for the federal presidency. Membership in these councils, however, is to a large extent dependent on the President, who appoints them. The "patriotism" test is a further guarantee that no political opponents of the government will be included. These bodies are not in any democratic sense representative of the Austrian people.²³

The one organ of "decision" set up under the new Austrian constitution is the Federal Diet, but its functions and powers are also strictly controlled by the executive. The Diet is composed of twenty deputies from the *Staatsrat*, ten from the Federal Council of Culture, twenty from the Federal Economic Council and nine from the Council of Provinces, totaling fifty-nine members. These various bodies choose the persons who comprise the Diet, but their speakers, who are appointed by the federal President, must be included (Article 50). The Diet is the sole legislative organ, but its powers are severely limited. It can only approve or disapprove measures submitted to it by the government. The latter, furthermore, fixes the period within which the Diet must give its decision. In the Diet, the government's proposals are explained and justified by a rapporteur; a counter-report is permissible, but no further discussion is allowed. The measure must be passed or rejected as submitted (Articles 61-62). The competence of the Diet includes decisions concerning bills dealing with budget estimates, flotation and conversion of federal loans, disposition of federal property, and acceptance of treaties which require a change in existing laws or of new legislation and federal financial reports (Article 51).

Thus, despite the complicated apparatus established by the new constitution, almost all power in the new Austria is concentrated in the hands of the executive. The state, furthermore, is designated as "federal" in character, but this also is illusory. The nine Austrian provinces, including Vienna, are governed by local diets composed of representatives—chosen on the basis of the "patriotic test"—from the church, religious associations, education, science and art, and the so-called economic categories as defined in the composition of the Federal Economic and Cultural Councils. The federal Chancellor, moreover, has power to suspend all measures voted by the provincial diets, for no such law can go into force until approved by the Chancellor (Articles 108-111).

23. Mirkin-Guetzevitch, *The New Austrian Constitution*, cited.

The dictatorial character of the Austrian "corporate state" is further indicated by the provisions in the new constitution concerning individual liberty. All citizens are declared equal before the law, except "when pertinent reasons justify inequality" (Article 16). Public offices are reserved for "citizens faithful to the fatherland"; the right of free assembly is granted "within the limits of the law," which the official commentary remarks does not exclude introduction of a licensing system.²⁴ Freedom for expression of opinion is guaranteed to all citizens "within legal limits." These limits are defined by Article 26 which, as the official commentary points out, makes possible the reintroduction of censorship for press, theatre, cinema, etc., which was previously illegal.²⁵ The federal government, furthermore, has the power to issue decrees suspending the constitutional guarantees of individual liberty although the law regulating the conditions under which such decrees may be promulgated has not yet been passed.²⁶

In general the Austrian dictatorship has attempted to base its power on a complicated constitution which, however, gives it almost unlimited powers. The result is analogous to both the Italian and German dictatorships in that all power rests in the central government. Austria and Italy, however, are attempting to establish a corporate or guild state, while Germany has not undertaken such a reorganization. In all three countries, furthermore, there is no guarantee of individual rights, the differences between the régimes arising for the most part from dissimilarities in the temperament of the people. The more easy-going Austrians appear to give a less brutal tone to their dictatorship, despite concentration camps, intimidation and strict censorship which obtain in Austria as well as in Germany and Italy. Anti-Semitism, however, is not proclaimed in Austria as an official governmental policy, although there is and always has been considerable feeling against the Jews in Vienna. On the other hand, suppression of Marxist groups has apparently been as severe as in either Nazi Germany or Fascist Italy.

EFFECTS OF THE NEW CONSTITUTION

The Schuschnigg government has continued Dollfuss' work of establishing an Austro-Fascist state along the lines of the new constitution. As early as March 1934 the Socialist Trades Unions

had been replaced by a single union—the *Gewerkschaftsbund*—controlled by the government.²⁷ Although about 300,000 workers are reported to have enrolled in the new union, the government admits that this number is less than the membership of the former free unions. The employers, furthermore, are being organized in a parallel group, and close collaboration between capital and labor is thus envisaged.²⁸

The political situation, however, has remained tense. The government announced the names of the members of the first Council of State, the Cultural Council and the Economic Council on October 31, 1934, and a constituent session of the Council of State was held in Vienna on November 27.²⁹ The Federal Diet was opened on November 30. During the past year, however, the *Heimwehr*, under Prince Starhemberg, has gradually been appropriating more and more power. The events of February 1934 represented a decisive *Heimwehr* victory over the Socialists, and the death of Dollfuss removed a further balance to the *Heimwehr's* one-sided demands, for Dr. Schuschnigg is not as adroit a politician as the late Chancellor. As a result, the *Heimwehr* has been able to gain a majority in the Cabinet, while in many of the local governments and Diets *Heimwehr* men have been appointed to the highest posts. Tyrol, Lower Austria and Carinthia are ruled by *Heimwehr* governors, and the head of Upper Austria, Dr. Gleissner—who is apparently a coming man in Austria—is a *Heimwehr* supporter. The *Heimwehr*, furthermore, is now endeavoring to push its men as mayors of the various Austrian municipalities in order to gain control of the election for the Austrian presidency, which will probably be held in the autumn of 1935.³⁰

Meanwhile Austrian political rivalries appear to have been transferred to the Fatherland Front, which has replaced political parties in Austria.³¹ There have been frequent reports of clashes between the *Heimwehr* and the Catholic *Sturm-scharen*, the private army of Chancellor Schuschnigg.

27. *Bulletin of International News*, August 16, 1934; Adamovich and Froelich, *Die neue oesterreichische Verfassung*, cited, p. 222 et seq.; *Le Temps*, special number, *L'Autriche*, August 4, 1935.

28. The organization seems to have much in common with the German Labor Front. Cf. Wertheimer, "Economic Structure of the Third Reich," cited.

29. *Bulletin of International News*, November 8, 1934; December 6, 1934.

30. "The Power of the *Heimwehr*, Prince Starhemberg's Aim of a Totalitarian State," *Manchester Guardian Weekly*, June 7, 1935.

31. On May 1, 1934 the Fatherland Front was invested with the powers of a statutory organization. Adamovich and Froelich, *Die neue oesterreichische Verfassung*, p. 220 et seq.

24. Adamovich and Froelich, *Die neue oesterreichische Verfassung*, cited, p. 15.

25. *Ibid.*, p. 16.

26. Article 147; Adamovich and Froelich, *Die neue oesterreichische Verfassung*, cited, p. 118.

nigg. Starhemberg is apparently attempting to exclude many of the members of this group as well as the Catholic workers' organization, the *Freiheitsbund*, from the Fatherland Front. He has also achieved at least theoretical leadership of the Austrian army, comprising 38,000 men, which on May 24, 1935 was incorporated into the Fatherland Front.³² The latter is officially reported to number 1,800,000 members at present. According to Prince Starhemberg, the purposes of this organization are to interpret national public opinion, act as advisor to the government, and direct the political education of the people.³³ Outside the Fatherland Front there remain on the one hand the masses of suppressed Socialist workers and on the other the Austrian Nazis.

While the position of the Schuschnigg government—on paper an absolute dictatorship—is thus precarious, the Austrian economic situation shows signs of improvement.³⁴ In the long run, however, Austrian prosperity depends on its foreign trade.³⁵ As long as currency restrictions and tariff barriers obstruct trade between Austria and its neighbors, there can be no real and lasting improvement in the Austrian economic situation.³⁶

The more far-reaching political arrangements for a Danubian pact to guarantee Austrian independence envisaged in the Franco-Italian Rome agreements of January 7, 1935 and the Franco-British London communiqué of February 3 have not as yet been concluded. It has not been possible to convene the projected Danubian conference, although reports have been current that diplomatic preparations for such a meeting are in process of completion.³⁷

32. *Bulletin of International News*, April 18, May 30, 1935. With the consent of the powers, the Austrian army has been increased by 8,000 men above the strength stipulated in the Treaty of St. Germain. Cf. Dean, "Europe's Struggle for Security," cited.

33. *Le Temps*, August 4, 1935.

34. For details, cf. League of Nations, *Financial Position of Austria in the Second Quarter of 1935*, Fifteenth Quarterly Report, by M. Rost von Tonnigen, the Representative of the League of Nations in Austria, C.273.M.140.1935.II.A., Geneva, July 26, 1935.

35. Cf. Vera Micheles Dean, "Austria: The Paralysis of a Nation," *Foreign Policy Reports*, January 4, 1933.

36. The significance of this fact as an element of major importance in bolstering up Austria against Naziism was recognized by consolidation of the Italo-Hungarian-Austrian bloc in March 1934. As a result of the economic agreements concluded at that time, Austrian trade with Italy and Hungary has somewhat improved. Cf. Dean, "Toward a New Balance of Power in Europe," cited; "Europe's Struggle for Security," cited; League of Nations, *Financial Position of Austria in the Second Quarter of 1935*, cited.

37. *Le Temps*, August 11, 1935, July 30, 1935; *Manchester Guardian Weekly*, August 9, 1935. *The Times* (London), July 30, 1935, denies the accuracy of these reports.

REPEAL OF HAPSBURG EXCLUSION ACT OF 1919

Meanwhile the Austrian government has apparently attempted to raise a further bulwark against Naziism. On July 10 the Federal Chamber approved a bill repealing the Hapsburg Exclusion Act of April 3, 1919,³⁸ which thus removed the last legal barrier to the Hapsburgs' return to Austria, and empowered the government to restore "suitable parts" of the confiscated Hapsburg property.³⁹ The Austrian government has emphatically denied that this law signifies immediate restoration of the Hapsburgs or even the imminent return to Austria of Archduke Otto and his mother Zita as private citizens. Nevertheless, the Little Entente has announced that it will not tolerate the return of Otto and Zita to Austrian soil and that any attempt to restore the Hapsburgs to the throne will result in immediate mobilization by the three states.

The Austrian government's preparatory moves toward eventual return of the Hapsburgs are partly motivated by fear that Mussolini's determination to fight Ethiopia will encourage Hitler to attempt another move against Austria. Restoration might conceivably be attempted as a last means of bolstering up the Schuschnigg-Starhemberg government, though the resulting international complications would probably outweigh any domestic stability eventuating from Otto's enthronement. The apparently uncompromising opposition of the Little Entente toward restoration and Mussolini's preoccupation with Ethiopia might possibly force Austria to make its peace with Hitler. An indication of such a course is given in the official announcements made in Berlin and Vienna on August 27,⁴⁰ to the effect that a journalistic truce had been arranged between the two countries. According to these statements, the Austrian and German press will henceforth cease agitation against one another. Austrian rapprochement with Nazi Germany, however, even on the basis of non-aggression and non-interference pledges, would probably be the first step toward *Anschluss*. While Austria has managed thus far to retain a nominal independence, there is little assurance that this status will be maintained. In all essential respects it remains merely a pawn on the European chessboard, but its disposition will have incalculable effects on European peace.

38. This law declared forever null and void all sovereign rights and privileges of the Hapsburgs. It expelled all Hapsburgs from the country unless they expressly resigned membership in the family and declared themselves faithful citizens of the republic. All the imperial property was confiscated and transferred in perpetuity to the title of the republic. *Staatsgesetzblatt für die Republik oesterreich*, 1919, law 209, p. 513.

39. *New York Times*, July 11, 1935.

40. *Ibid.*, August 28, 1935.